
Military Assistance Requirements for FY 1990

By

**Lieutenant General Charles W. Brown, USA
Director, Defense Security Assistance Agency**

[The following is a reprint of a prepared statement which General Brown presented in testimony before the Subcommittee on Foreign Operations of the House Appropriations Committee in Washington, DC, on March 15, 1989.]

Mr. Chairman, it is a pleasure to appear again before your subcommittee today to testify on military assistance. I look forward to working with you through this year's appropriations process to provide the resources and flexibility needed for an effective military assistance effort in FY 1990 and beyond.

OBJECTIVES

Military assistance is an integral part of the overall U.S. national security posture. As you know, it is intended primarily to further U.S. national security objectives.

Military assistance programs, including cash financed foreign military sales, help friends and allies to deter or manage aggression against common interests through their own forces. Our programs have been highly successful in many instances.

Military assistance also enhances coalition defense by helping certain allies shoulder a greater share of the common defense burden, as with Turkey and Portugal, and by supporting access to key foreign military facilities as, for example, in the Philippines and along the Horn of Africa.

Military assistance further promotes stability by forging close ties with key countries and contributing to stable regional balances of power. For example, our programs with Israel, Egypt, and Jordan are highly important to the preservation of peace in that volatile area of the world.

Finally, military assistance, particularly through the IMET program, builds useful military-to-military relations with a wide variety of countries across the globe. These relationships contribute to the development of professional military organizations; respect for democratic processes and human rights; and provide useful access to influential military and political leaders.

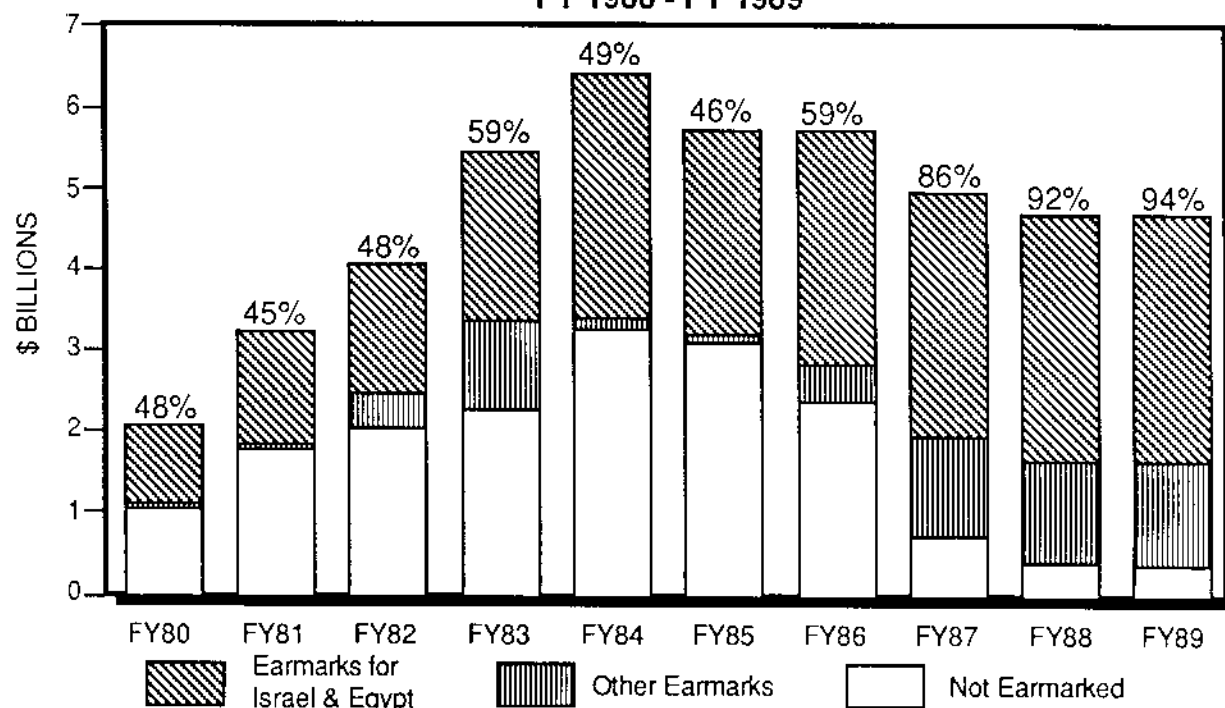
Our military assistance programs exist to serve the national security and foreign policy objectives of this country, and are so guided. These programs also confer substantial economic benefits upon the U.S. Almost all of our assistance monies are spent here at home. About two-thirds of our foreign military sales, however, are cash financed by the purchasing countries themselves. Defense sales make a significant contribution to U.S. economic activity and international trade. Military assistance and sales create or preserve hundreds of thousands of American jobs and generate significant amounts of revenue for the U.S. government. Defense is one of the relatively few areas where the U.S. has consistently enjoyed an export advantage, although this advantage has eroded over the last several years. Sales also contribute to the preservation of the U.S. defense industrial base, and enable the Department of Defense to realize economies of scale savings in procurements for our own forces.

CHALLENGES

Military assistance faces challenges from various quarters. Adequate resources is one of the greatest challenges. As shown in Figure 1, assistance funding continues to decline, while the percentage of the budget earmarked for a few favored programs increases. Funding for military sales financing declined by over 26 percent since FY 1984, while the percentage of funding earmarked has increased from 49 percent to almost 94 percent. Consequently, *funding available to non-earmarked countries has declined by over 90 percent over the same period*. As a result, we have had to zero-out funding to numerous countries and drastically reduce funding for the remaining non-earmarked programs. Funding for the International Military Education and Training Program has also been sharply reduced.

FIGURE 1

**FMSCR/MAP EARMARKED BY CONGRESS
FY 1980 - FY 1989**



Unfortunately, our friends' and allies' assistance needs in most cases have not declined. Indeed, in some cases, the needs have increased. Even as peace and stability are gaining in some parts of the world, violence and instability continue or are on the rise in others. The U.S. also faces difficulties in some countries with maintaining access to foreign military facilities that are highly important to our regional defense strategies.

There is also the continuing challenge to make the FMS system more responsive and accountable. I call it streamlining, and it includes more responsible development, implementation, and execution of programs; better financial accounting systems; and more effective utilization of management information. Streamlining is one of my highest priorities, and I know effective management of resources is an issue of importance to this committee as well as to our friends and allies. We are working hard on the matter, and are making progress in this long-term effort.

The challenges I have just outlined have important implications for U.S. national security. We must demonstrate the will and innovation to respond successfully. The Administration's FY90 military assistance budget request is an important part of a successful response.

FY 1990 BUDGET

The Administration is requesting \$5.1219 billion for military assistance in FY 1990, which breaks down as follows: \$5.027 billion for Foreign Military Sales Financing (FMSF); \$40.432 million for the general administrative costs of the Military Assistance Program (MAP); and \$54.5 million for International Military Education and Training (IMET).

As in last year's request, the Administration is proposing that all military assistance be provided on a grant basis. This is responsive to the economic situations of the intended recipient countries. This is also in keeping with Congress' reluctance to increase the debt burden of developing countries, as reflected in the increasing grant component of military sales financing appropriations over the last several years (representing 91 percent in FY 1989).

The Administration has departed from previous practice this year by requesting that all military sales financing for countries be provided through the Foreign Military Sales Financing (FMSF) program, and none through the Military Assistance Program (MAP). As FMSF has increasingly made a transition from a loan to a grant program, the distinctions between it and all-grant MAP have receded. Having requested an all-grant financing program for FY 1990, the Administration took this opportunity to simplify the presentation and budgeting of the financing effort by consolidating it into one program. Funding has been requested for MAP only to cover administrative costs of military assistance.

The Administration has also requested that the availability of FMSF for financing direct commercial purchases continue to be available only to countries with sufficiently developed acquisition systems and infrastructure to ensure that the funds are utilized in a cost-effective manner. As such, it has proposed that the availability of FY 1990 FMSF funds for financing of direct commercial purchases be restricted to those countries for whom the Administration requested assistance under the Foreign Military Sales Financing program for FY 1989.

The Administration's request for military assistance represents a \$142.4 million or 2.9 percent increase over the FY 1989 request and a \$334.8 million or 7.0 percent increase over the FY 1989 appropriation. I realize that we are in a difficult budgetary period, but I believe that the committee deserves to know what we judge is needed in our area of expertise: the programmatic military requirements of important friends and allies. Furthermore, as can be seen on Figure 2, the Administration's overall foreign assistance request reflects the traditional 35 percent--65 percent balance between military and economic assistance. And, as Figure 3 shows, if one excludes the substantial portion of the worldwide foreign assistance budget, military and economic, allocated to Israel and Egypt, the military portion of foreign assistance for the rest of the world is much more modest--less than 14 percent.

FIGURE 2

**FY 1990 FOREIGN ASSISTANCE REQUEST
\$14.6 BILLION**

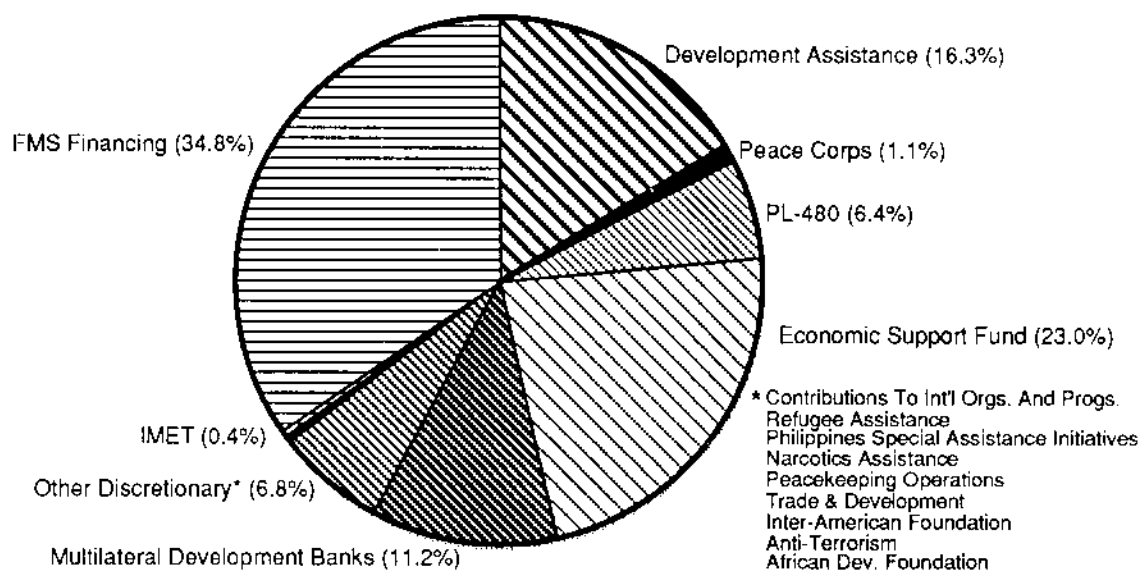
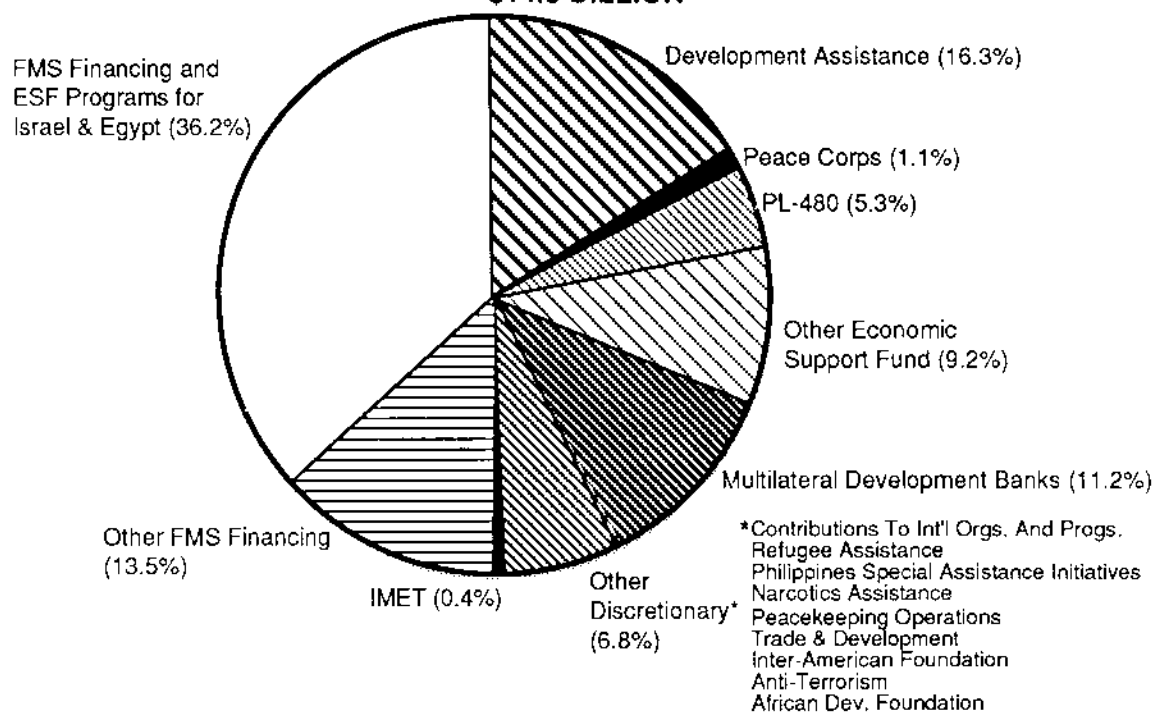


FIGURE 3

**FY 1990 FOREIGN ASSISTANCE REQUEST
(Emphasis on Israel and Egypt Programs)
\$14.6 BILLION**



The increases over the FY 1989 allocation are concentrated in a few high priority countries. The largest increase is for the **Philippines**. In support of the democratic government of Mrs. Aquino and our continued access to bases in the Philippines, the Administration agreed to a best efforts pledge of \$400 million in military assistance, as well as larger amounts of economic assistance, during the next two years. The FY 1990 military assistance share of this best efforts pledge is \$200 million, representing a \$75 million increase over the FY 1989 level. This assistance will be used to purchase support items, maintenance, training, and new equipment needed to combat the Philippines' insurgency. It is important to the success of the Aquino government and democracy generally in the Philippines, as well as to our continued access to Philippines military facilities beyond 1991, that our best efforts pledge be supported.

The next largest increase--of \$50 million--is for **Turkey**. Strategically-situated and dependable, Turkey is a high priority assistance country. We continue to support, along with other NATO allies such as Germany and The Netherlands, the modernization of Turkey's largely outdated equipment, though at a far slower pace than needed. The Turkish armed forces estimate that a timely modernization program would require \$2 billion of military assistance a year. Of course, as the Turks fully realize, that level of assistance is more than the U.S. or our allies are in a position to provide. It is very important, however, that we increase our military assistance to this very important ally. Turkey's proposed FY90 financing would be used primarily to continue the on-going M48 tank upgrade and F-16 production programs, and to support older, existing U.S. origin equipment.

We should not allow assistance for Turkey and other countries to suffer by tying Turkey's assistance in any way to the level of assistance we provide to another important ally, Greece. The 7/10 ratio in particular, although it is traditional, has no programmatic or military justification.

We are also requesting a \$25 million increase for **Portugal** for a total FY90 request of \$125 million in grant financing. The U.S. and Portuguese governments recently concluded a highly successful review of the Portuguese military and economic assistance requirements. The understandings reached during this review will significantly enhance Portuguese defense capabilities in support of NATO and secure continued cordial and productive security cooperation between our two countries for the foreseeable future.

As part of the understandings reached with the Portuguese, the U.S. undertook to do its best to provide Portugal with some of the defense items it needs to carry out its NATO defense responsibilities, including defense of the critical Azores facilities. We plan to fill these requirements as much as possible through the transfer of excess U.S. equipment under the authority of the Southern Region Amendment (SRA). To this end, we will request Congress to indefinitely extend the SRA authority, which is scheduled to expire at the end of this year. SRA authority however, is not sufficient--there is not enough nor the proper kind of excess equipment available to meet all of Portugal's priority requirements. Portugal will require in excess of \$100 million of military assistance financing for each of the next five years. The proposed FY90 financing for Portugal will be used to continue the on-going Portuguese frigate program, support existing equipment, and procure interceptor aircraft, air defense, and other needed items.

For **Pakistan**, we are once again requesting \$240 million in grant financing, which represents a \$10 million increase over the FY89 actual level. Our assistance program with Pakistan has been an important factor in Pakistan's ability to oppose the Soviet presence in Afghanistan. The turbulence on Pakistan's border did not end with the Soviet withdrawal, however. Pakistan still needs our help. A continued vigorous U.S. assistance program is also intended as a tangible demonstration of support to the Bhutto government as it continues to consolidate democratic processes and institutions. I therefore urge the Congress to support continued assistance for Pakistan at the requested levels.

In **El Salvador**, we are seeking an increase of \$12 million over the FY 1989 allocation. As the committee is well aware, our commitment to help El Salvador to build a durable democracy while opposing the FMLN's efforts to impose a communist regime by the force of arms remains firm. We support efforts to reach a peaceful resolution of the insurgency in El Salvador, and hope that the most recent efforts bear fruit. Nevertheless, the security situation remains serious, and the insurgent forces have intensified their attacks on civilian, as well as military, targets.

Because of overall funding reductions and increased earmarks, we have been unable to cover fully the sustainment requirements of the Salvadoran armed forces during the past two years. Consequently, reserve stocks have been depleted and needed maintenance put off. El Salvador can not continue to go underfunded without risk to its counterinsurgency effort. The \$97 million we seek for El Salvador in FY 1990 is the amount that the U.S. Southern Command determined after a comprehensive survey to be El Salvador's minimum sustainment requirements at the current level of operations. The Salvadorans optimally require \$125 million.

For **Honduras** we are again requesting \$60 million in grant military financing, an increase of \$20 million over the FY89 actual level. Increased assistance is needed to continue the modernization of Honduran forces. U.S. assistance to Honduras clearly demonstrates the strong commitment of the United States to the defense of democratic development and our own security interests throughout Central America. Honduras' FY90 assistance will fund training and maintenance for previously furnished systems, payment for the replacement of obsolescent Super Mysteres with F-5s, and improvement of naval coastal patrol through acquisition of amphibious aircraft and improved patrol boats.

For **Jordan**, we are requesting an increase of \$38 million over its FY 1989 allocation for a total of \$48 million in grant financing, the same amount as requested in FY 1989. Jordan is a long-time friend with a pivotal role to play in Arab-Israeli relations. For many years, the U.S. has been an important source of assistance to Jordan and has enjoyed a close and cooperative relationship with the Jordanians. Over the last several years, however, our assistance for Jordan has been seriously eroded under the pressure of declining worldwide assistance levels and sharply increased earmarking. From FY84 to FY88, U.S. military financing for Jordan declined by about \$89 million or 77 percent. This year, assistance for Jordan had to be slashed another 62 percent. The reduction of military assistance has reduced substantially Jordan's ability to sustain already delivered U.S. systems.

We need to restore Jordan to earlier, higher levels of assistance. The financing requested for Jordan in FY 1990 would be used to support and upgrade previously-furnished U.S. equipment and to finance limited quantities of urgently needed supplies.

For **Thailand** in FY90, we are requesting \$45 million in grant financing, the same level as the President's FY89 request, or \$23 million above the FY89 actual level. Thailand, like Jordan, is a long-time friend and ally, occupying a key position in an important and volatile part of the world. Like Jordan, Thailand bore the brunt of the funding reductions in FY 1989 necessitated by worldwide funding reductions and increased earmarking. Military financing for Thailand, already down 57 percent from FY 1985, dropped a further 49 percent last year. It is in our interest to preserve our close security relationship and help meet the substantial security requirements of our best friend in an area of continuing strategic and increasing economic concern to us. Our FY90 request would restore Thailand to its FY 1988 assistance level in order to provide for support and modernization of Thai forces.

We are requesting an additional \$21 million above FY89 actual levels for *countries in South America and the Caribbean with serious narcotics and, in some cases, related insurgency problems*. The biggest increase in this group is for **Colombia**, where the activities of drug barons and insurgent groups, sometimes working together, threaten the very survival of the legal system

and democratic government. The next largest increase is sought for **Peru**, which is in a situation analogous to Colombia's. Increases are also sought for **Bolivia** and the states of the **Eastern Caribbean**.

The narcotics problem is a complicated, and it often seems, an intractable one. There is an important role for international programs designed to get at the supply end of the problem.

Efforts to date have involved mostly work with local law enforcement people, eradication, and the very occasional and temporary use of U.S. military transportation to assist the law enforcement people. We believe the local *military* forces are ready to and must take a larger role in these efforts. They are the only forces large enough to do it; they have the infrastructure; they can act as a disciplined and trained force; and it is far better that they take this role rather than U.S. combat forces. We are beginning to see indications that institutional pride can overcome the adverse circumstances which tend to restrain military involvement. But, in the struggle against the traffic in illicit drugs, military establishments need our assistance in the funding of materiel, training, and support if they are to expand their role. This is not to say that the military can supplant the local police forces, but they have a role to play.

At the same time, we must keep in mind that narcotics trafficking is not the only security problem faced by these countries. As mentioned above, Colombia and Peru also have serious insurgency problems with roots and objectives independent of the drug barons, although tactical alliances can and do exist between those groups. Insurgency is primarily a military problem, while narcotics has been primarily a police matter. We seek through our military assistance programs to enhance these countries military forces' ability both to combat insurgencies and effectively contribute to the anti-narcotics effort.

For the most part, *lesser increases are also sought to restore other smaller but nevertheless valuable programs, mostly in Latin America and Africa*, that were unfunded this year or almost so because of the scarcity of resources.

The International Military Education and Training [IMET] program is also a very important part of our military assistance request. It has been generally recognized as our *most cost-effective* foreign assistance program. IMET is a people program that establishes valuable personal relationships and lines of communication with foreign military personnel, many of whom rise to prominent positions within their countries. By studying in the United States, foreign military students learn our ways and are exposed to our values of support for democracy and personal integrity based on pride in military professionalism. They, in turn, help spread these values in their countries by sharing their experiences with military and civilian counterparts. It also provides friends and allies with specialized knowledge and skills that improve their utilization of U.S. equipment and management of forces.

We are asking for a \$7.1 million increase for this important program for FY 1990. This would restore IMET to its earlier funding level, and help make up for shortfalls in professional military education and training. There would be broad participation in the increase, with the largest increases going to such important countries as Colombia, Jordan, Morocco, and the Philippines.

With regard to IMET for so-called "high-income" countries, we are sensitive to concerns that countries pay their fair share. We have long had a cost-sharing policy to insist that countries pay their travel and living allowances, if they can. The legislating of this in last year's appropriations bill was recognition of this cost-sharing policy while also continuing to recognize that there are benefits to attracting military students from high income countries into our Professional Military Education system. But the threshold which was legislated had a rather indiscriminate effect.

Your committee has, in the past, expressed some concern about IMET for "advanced, industrialized" nations, but the threshold in the appropriations bill covered a number of countries which could hardly be considered to be in this category, such as Gabon or Trinidad-Tobago. Since we want to maximize the amount of IMET which is indeed spent for tuition, we would like the opportunity to apply regulatory procedures which ensure that the industrialized nations do in fact pay their travel and living allowances, but which leaves us discretion for countries which are not. For these reasons, we would like your support against the imposition of a per capita GNP threshold in legislation.

The Administration is also requesting \$325 million in obligational authority for the Special Defense Acquisition Fund (SDAF). This Fund allows the U.S. to procure defense equipment in anticipation of foreign military sales, thereby substantially reducing lead times on certain high demand and/or particularly long-lead time items. In doing this, SDAF often serves other useful purposes, such as achieving procurement economies for U.S. forces by increasing unit purchases or keeping production lines warm between orders. SDAF is not an assistance program; its equipment is sold at full price. Of course, countries receiving U.S. financing assistance may use those funds to purchase from SDAF, just as they may use them for any other allowable U.S. defense purchase.

SDAF operates on a revolving fund principle, recycling receipts from the sale of SDAF equipment to purchase new equipment. The Fund was capitalized to \$1.07 billion earlier this decade, so it requires no new funds or appropriations to function. However, it can only obligate funds in any year up to the amount authorized by Congress. During the past two years, Congress has authorized new SDAF obligations substantially below the amount available for obligation, despite the fact that higher obligation levels involve no budget authority and have little impact on outlays. Congressional authorization of \$325 million in SDAF obligational authority for FY90 would enable SDAF to be more fully utilized to support national security interests.

Mr. Chairman, I believe that I have outlined for the committee some very important reasons why military assistance funding needs to be increased in FY 1990. I recognize that the overall budget situation could be even tighter this year than in years past, and that foreign assistance could be reduced again if that proves to be the case. If the President's FY90 request is not granted, some very difficult choices will have to be made. These could be choices among best effort pledges to the Philippines and Portugal, continued support for the democracy and counter-insurgency in Central America, preserving programs with Jordan and Thailand, and the small increases targeted for South America and the Eastern Caribbean, to mention a few.

I ask for your support for the President's FY90 request for military assistance. I also ask for your continued support in reducing earmarks.

Earmarks, particularly in the context of declining funding levels, have greatly complicated our military assistance effort over the past several years. Earmarking a few favored programs while appropriating total funding far below the requested amounts has caused important countries with real military requirements and objectives to be neglected. In many countries, friendly forces engaged in on-going conflicts suffer, and previously-furnished U.S. equipment languishes for lack of funds to support it because earmarks allow unused assistance funds to accumulate or far less urgent requirements to be filled in other programs. It only makes sense that when resources are scarce, more care should be given to ensuring that they are allocated to meet well planned, validated military, not political, requirements. The damage borne by our military assistance effort this year would have been far less if the Administration had been given greater flexibility in the allocation of scarce funds.

Mr. Chairman, I know that there is understanding here for the problems. I recognize and very much welcome the restraint that this committee has demonstrated on earmarks. I am also

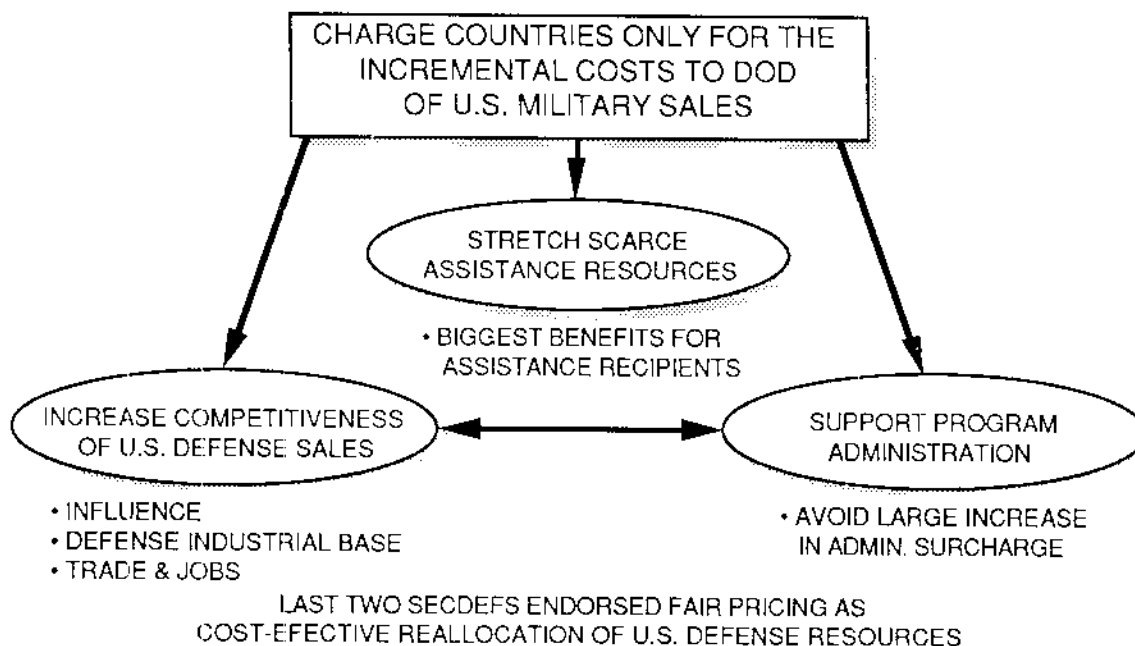
heartened that your colleagues in the Foreign Affairs Committee have themselves, through their recent task force report on foreign assistance, endorsed the reduction, if not elimination, of earmarks. Substantially reduced earmarking would do much to mitigate the damage of reduced funding levels.

LEGISLATIVE INITIATIVES

The Administration will soon submit to the Congress its security assistance legislative initiatives. Of course, these initiatives will be taken up by your colleagues in the Foreign Affairs Committee. During my testimony last week before that committee's International Security subcommittee, I commented on two of these initiatives that are of particular importance to military assistance. I would just like to take this opportunity to apprise you of these initiatives.

FIGURE 4

FAIR PRICING



Fair Pricing is the first initiative. As shown in Figure 4, fair pricing would reduce some of the add-on charges to U.S. defense sales, particularly for those sales that are financed with U.S. grant assistance. As such, it would stretch scarce military assistance resources. We also believe that it would help prevent the loss of U.S. defense sales to other suppliers, and, with it, the loss of U.S. access and influence in important countries throughout the world and the substantial economic benefits that sales generate for the U.S.

Similar legislation last year appeared in the Senate's FY89 foreign operations appropriations bill. That legislation was not enacted. Instead, cost reductions were enacted for the recent Israeli and Egyptian F-16 purchases. Also enacted was a provision exempting the cost of military salaries from the price of defense services cases wholly financed with grant FMSF funds just as had been done for MAP a few years ago. Hoping to build upon those achievements, we made some helpful changes to the Fair Pricing initiative and have resubmitted it for consideration by this committee and the Senate.

FIGURE 5

FAIR PRICING	
WAIVE NON-RECURRING COSTS FOR CASES FINANCED WITH GRANT ASSISTANCE	
• SAVINGS OF \$25M PER YEAR	
ELIMINATE ASSET USE CHARGE FOR ALL	
• SAVINGS OF \$37M PER YEAR	
NO LONGER REIMBURSE MILDEPS FOR MILITARY SALARIES ASSOCIATED WITH PROGRAM ADMINISTRATION	
• SAVINGS OF \$60M PER YEAR	
NO LONGER REIMBURSE TREASURY FOR UNFUNDED CIVILIAN RETIREMENT COSTS	
• SAVINGS OF \$34M PER YEAR	

As shown in Figure 5, in Fair Pricing, we would no longer charge countries using U.S. grant financing for non-recurring research, development, and production costs. These are costs that the Defense Department has already incurred to develop and procure systems for our own forces. We would also no longer charge countries for the depreciation costs of U.S. plant and tooling (asset use) involved in the production of the systems. We estimate that these changes would stretch the buying power of grant financing assistance we provide to friends and allies by 4 percent on average.

Fair Pricing would also terminate military assistance liability for some relatively fixed DOD administrative overhead costs. For example, DOD would not be reimbursed for the salaries of military personnel involved in program administration, nor would we cover unfunded civilian retirement costs. The effect of these changes is to obviate the need to increase the current 3 percent administrative surcharge on the value of all FMS cases.

Because of the decline of major system sales since early in this decade without a corresponding reduction in workload, the current 3 percent administrative surcharge is no longer sufficient to cover the administrative costs for which the military assistance program is legally liable. This is true despite the fact that in 1987 we added a new 3.1 percent administrative surcharge to all logistics cases and reduced the Services' administrative budgets by about \$65 million or 16 percent. Unless Fair Pricing is enacted, we will have to increase the administrative surcharge, probably to 5 percent. An increase, especially of that magnitude, would further erode already scarce military assistance resources. Moreover, we expect that such an increase would drive countries away from the FMS system, and probably initiate a vicious cycle of declining sales and increasing surcharges. Consequently, the U.S. will lose the access and influence it achieves through assistance and cash sales, as well as the substantial contribution of sales to our defense industrial base; economies of scale in DOD procurement; trade; and jobs.

Fair Pricing does involve a cost to the Defense Department budget. We estimate this cost to be about \$156 million in a typical year, of which \$60 million represents reduced reimbursement to the Military Personnel accounts and the remaining \$96 million is reduced payments into the

Treasury's miscellaneous receipts account that in turn are credited back to the Defense budget as offsetting receipts.

The Defense Department, in agreement with former Secretary of State Shultz and now Secretary Baker, is prepared to absorb these costs. Fair Pricing has been endorsed by current Acting Secretary of Defense Taft and Former Secretaries Carlucci and Weinberger during their tenure as a cost-effective reallocation of U.S. defense resources. Fair Pricing is an urgently needed response to the serious problems posed to our security interests by declining assistance funding and sales.

Extension and improvement of the Southern Region Amendment is the second initiative of which I would like to apprise you. The Southern Region Amendment, as originally enacted, authorized the President to provide, on a no-cost basis, excess or programmed to be excess U.S. defense equipment to security assistance countries in NATO's southern tier that were integrated into NATO's military infrastructure. The following year, Congress amended this authority to extend eligibility to Israel and Egypt while restricting the definition of available equipment. Congress also added a provision to appropriations legislation, which it has subsequently renewed, to require that any SRA assistance provided to Greece and Turkey be provided in the same ratio as their military assistance funding.

The original SRA authority was very useful. Substantial amounts of needed equipment were provided to Greece, Portugal, and Turkey. Subsequent modification of the authority has greatly reduced its usefulness, particularly for Greece and Turkey. The extension of the 7:10 ratio to SRA has prevented us from offering any additional equipment to Greece and Turkey in part because of the difficulty of putting together a package of useful items that corresponds to that ratio and other related restrictions. The more restrictive definition of excess equipment has also significantly limited the items we can offer to eligible countries.

SRA provides a valuable means to strengthen coalition defense in NATO at little or no cost to the U.S., particularly in these times of scarce military assistance funding resources. It is also highly supportive of ongoing modernization along NATO's southern tier. We propose that the SRA authority be extended indefinitely. We further provide that the eligibility for SRA assistance be returned to the original intention, whereby only NATO southern tier countries are eligible. I also ask for your assistance in avoiding a continuation of the 7:10 ratio requirements for SRA assistance to Greece and Turkey, which have appeared in appropriations legislation, so that SRA can resume being a benefit to these countries.

CONCLUSION

Mr. Chairman, I believe that we have a well-justified budget and legislative program that will significantly enhance our military assistance effort. I reiterate my request for this committee's support for adequate funding for military assistance in FY 1990, and trust that the committee will continue to be a force for reason on the matter of earmarking. Thank you.